

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1664-04  
Bill No.: HCS for HB 669  
Subject: Dentists; Optometry; Insurance - Medical  
Type: Original  
Date: April 21, 2011

Bill Summary: Prohibits any contract between a health insurer and a dentist or optometrist from requiring a mandatory fee schedule established by the insurer if the services are not covered in the plan.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue*	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* Oversight assumes MCHCP savings and costs net to \$0.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Insurance Dedicated	Up to \$5,000	\$0	\$0
Road	(Unknown exceeding \$50,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
Other**	\$0	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown exceeding \$45,000)</b>	<b>(Unknown exceeding \$100,000)</b>	<b>(Unknown exceeding \$100,000)</b>

\*\* Oversight assumes MCHCP savings and costs net to \$0.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 19 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Federal***#	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*\*\* Oversight assumes MCHCP savings and costs net to \$0.

# DSS Reimbursements and expenditures Unknown and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration, Office of State Courts Administrator, Department of Health and Senior Services, and Missouri Department of Conservation** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state insurers would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,000.

It is believed all other requirements for this bill can be covered under current appropriations. However, should the workload or expenses exceed the DIFP's expectations, the department will need to request additional staff or appropriations to handle the increase in workload.

### Section 103.082 - Bariatric Surgery

Officials from the **Department of Social Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state the MCHCP Board of Trustees eliminated bariatric surgery benefits effective Jan. 1, 2011 to provide short-term assistance to the state's challenging budget situation.

ASSUMPTION (continued)

During the 37-month period of November, 2007 - December, 2010 when bariatric surgery was a covered benefit through the MCHCP, 94 members took advantage of the benefit. The allowed amount of each procedure, on average, was \$18,824.

Assuming 2.5 members per month have the procedure (30 procedures per calendar year) and also assuming an 11% trend; allowed amounts for this procedure, on average would be \$772,329 for CY 13; \$857,285 for CY 14; \$951,586 for CY 15. The MCHCP will need additional appropriations each year in the previously stated amounts until the procedure recoupment can be achieved.

Based on MCHCP experience, and assuming members who have a bariatric procedure remain covered by the plan, the MCHCP estimates that by 39 months post-procedure, member claim reductions will match procedure claim costs, thereby negating the cost of the procedure.

Members that do not remain covered by the plan keep MCHCP from re-cooping any potential savings. The data used in the analysis is based on 94 members' experience which is not a statistically significant population. Members experiencing complications or negative outcomes due to the procedure would lengthen the break-even point making cost-neutrality difficult to achieve as each member's experience is different.

**Oversight** is presenting the additional appropriations the MCHCP will need for the period of this fiscal note. **Oversight** notes the provisions of this proposal are to become effective no later than January 1, 2013. Therefore, the proposal will have no cost for FY 12, 6 months of costs for FY 13 and a full year of costs for FY 14 (6 months of FY 13 costs plus 6 months of FY 14 costs). The MCHCP will continue to experience an increase in costs through FY 15 and will not begin procedure recoupment until FY 16, both of which are outside the period of this fiscal note.

**Section 103.089 - Coordination with Medicare Benefits**

Officials from the **Department of Social Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Missouri Consolidated Health Care Plan** project this legislation will save \$750,000 to \$1.5 million for FY 12 and an additional \$1.5 million to \$3.0 million for each FY 13 and FY 14.

**Section 191.227 - Medical Records**

Officials from the **Department of Social Services** and **Missouri Consolidated Health Care Plan** assume the proposal would have no fiscal impact on their agencies.

ASSUMPTION (continued)

**Section 191.774 - Smoking Pohibition**

Officials from the **Department of Corrections, Department of Social Services and Missouri Consolidated Health Care Plan** assume the proposal would have no fiscal impact on their agencies.

According to the proposal, any person who violates the no-smoking or use of tobacco products in any area of a state correctional center or the grounds thereof would be guilty of an infraction. **Oversight** assumes these infractions will not result in a material amount of fine revenue collected for local school districts.

**Oversight** also assumes any potential positive benefits to the state (savings from decreased medical costs) will be occur outside the fiscal note period.

**Sections 208.152 and 338.400 - Medicaid Coverage for Blood Clotting Products**

Officials from the **Missouri Consolidated Health Care Plan** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** state currently, MO HealthNet covers these products and equipment for participants with bleeding disorders. However, there is no separate payment for home delivery. These types of products are mail-ordered and the delivery costs are part of the cost of doing business for this type of product. It is assumed that in cases where a participant needs home delivery the pharmacy will absorb that cost.

There are approximately 370 MO HealthNet participants with Hemophilia or von Willebrand disease. It is assumed there will be no significant increase in participants using these services.

Nurse visits are currently a covered service through the Home Health program and are provided by nurses employed by home health care agencies. It is assumed that these services will fulfill the requirement for in-home assessments. The Medicaid capped rate for a nurse visit through the Home Health program is \$64.15.

Since these services are already covered under this program, it is assumed that it is not the intent of the legislation to require the MHD to reimburse pharmacists or individual nurses for in-home assessments. If that is the intent then there may be an additional unknown cost.

ASSUMPTION (continued)

No additional ancillary costs will be incurred since any medically necessary ancillary service is currently covered through the Durable Medical Equipment program, Home Health program or the Exceptions process.

Since these products and services are already provided through existing programs there will be no fiscal impact to the MHD for this section.

Since section 338.400 affects the Board of Pharmacy there is no fiscal impact to the MHD.

**Section 208.960 - MHD Payment for Chiropractic Services**

Officials from the **Missouri Consolidated Health Care Plan** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services-MO HealthNet Division (MHD)** assume the legislation requires chiropractors to be reimbursed under MO HealthNet for providing services currently covered by MO HealthNet and within the scope of chiropractic practice. This legislation will increase utilization of currently paid procedure codes.

Studies that determined the utilization of chiropractic care in the general population were reviewed to determine the potential number of MO HealthNet participants who might receive chiropractic care if this legislation passed. It is assumed that utilization in the MO HealthNet population will be similar to the general population. The National Institutes of Health (May, 2004) found that 7.5% of adults used chiropractic care within the previous 12 months. The Southern Medical Journal (April, 2000) reported that 8.7% of adults used chiropractic care within the previous 12 months. The National Institutes of Health (2007) found that 3% of children had used chiropractic services in the previous 12 months. MHD chose to use 8% for adults and 3% for children as the estimate of the percentage of the MO HealthNet population that will use chiropractic services.

The number of MHD participants age 19 and above in FY10 was 340,541. It is estimated that 27,243 ( $340,541 \times 8\%$ ) participants will utilize chiropractic care. There were 537,820 children less than 19 years of age. It is estimated that 16,135 ( $537,820 \times 3\%$ ) will utilize chiropractic care. Therefore, a total of 43,378 participants are estimated to use chiropractic care.

It is assumed under this legislation chiropractors would, at a minimum, bill for manipulative treatment and certain physical therapies. The cost developed below is for manipulative treatment only and it is assumed additional unknown cost would be incurred for physical therapies. Procedure codes 98925, 98926, 98927, 98928, and 98929 are codes which are currently utilized for osteopathic manipulative treatment. An average rate for these procedure codes is \$28.93.

ASSUMPTION (continued)

The number of medically necessary chiropractic visits that will be prior authorized for each participant is not known. For the purpose of the fiscal note it is assumed that a series of 8 visits per year will be authorized. It is possible that some participants will receive more visits and some less. The annual cost for one person will be \$231 (8 visits x \$28.93=\$231) therefore, the first full year (FY13) cost for 43,378 people will be \$10,381,049.

It is assumed there will be only a 10 month cost in FY12. Medical inflation of 3.6% was applied to FY13 and FY14. FY12 (10 mths): Unknown > \$8,350,265 Total (Unknown > \$3,065,382 GR); FY13: Unknown > \$10,381,049 Total (Unknown > \$3,810,883 GR); FY14: Unknown > \$10,754,767 Total (Unknown > \$3,948,075 GR).

**Oversight** notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures.

**Oversight** assumes, because the potential for an increase in utilization is speculative, that the MHD may or may not incur significant costs related to this proposal. Therefore, **Oversight** assumes, for fiscal note purposes only, an unknown fiscal impact.

Section 376.394 - Diagnostic Imaging Services

Officials from the **Department of Social Services (DSS)** state this legislation does not revise Chapter 208, RSMo and, therefore, does not affect MO HealthNet eligibility or benefits.

This legislation does revise Chapter 376, RSMo. The MO HealthNet Division (MHD) assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants.

The MHD recognizes there may be additional costs of doing business for HMOs if this legislation passes and that those costs may be passed on to the MHD. The MHD may incur additional costs for an actuarial analysis to determine if capitated rates should be adjusted for the additional costs incurred by the HMO.

If an actuarial analysis is needed it will occur in the first year and is a one-time cost. The cost of the analysis will depend on the number of program changes that will need to be analyzed as well as the complexity of those changes. This cost is unknown but may be as high as \$100,000. Since this is an administrative cost there will be a 50% federal match rate.

ASSUMPTION (continued)

If the HMOs are required to provide additional benefits and the MHD's current rates don't support those costs, the actuary may require an increase in capitated rates to ensure actuarial soundness.

If this occurs the cost to the MHD is unknown. These additional costs would occur in the second and third years.

FY12: Total cost is unknown < \$100,000 (GR unknown < \$50,000)

FY13: Total cost is unknown

FY14: Total cost is unknown

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this legislation does not require health plans to pay for more than one read of the same diagnostic image. Even if two different medical professionals review the diagnostic image, the MCHCP assumes it will pay for the first read only.

This legislation does not fiscally impact the MCHCP based on the assumptions above.

Officials from the **Missouri Department of Transportation (MoDOT)** state for section 376.394, the MoDOT/Missouri State Highway Patrol's (MHP) Medical Plan would fall under the definition of health benefit plan as indicated in the legislation; therefore, this proposal would apply to the Plan. The network and claims administrator, Coventry Health Care Plan, has researched the fiscal impact if the Plan is required to cover these services and has provided the following information.

Coventry's current contracts do not limit provider's ability to read radiology claims based upon specialty specifically; however, Coventry does control high tech radiology via our contracts. In other words, they limit whom they contract with for these services that establishes limitations, but they are not specialty driven per se. The impact cannot be determined; however, it would be greater than \$100,000 annually.

**Sections 376.1226 and 376.1227 - Dental and Vision Plan Changes**

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state Section 376.1226 of this legislation does not revise Chapter 208, RSMo; therefore it does not affect MO HealthNet eligibility or benefits.

This legislation does revise Chapter 376, RSMo. The MHD assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants.



ASSUMPTION (continued)

The MHD recognizes there may be additional costs of doing business for HMOs if this legislation passes and that those costs may be passed on to the MHD. The MHD may incur additional costs for an actuarial analysis to determine if capitated rates should be adjusted for the additional costs incurred by the HMO.

If an actuarial analysis is needed, it will occur in the first year and is a one-time cost. The cost of the analysis will depend on the number of program changes that will need to be analyzed as well as the complexity of those changes. This cost is unknown but may be as high as \$100,000. Since this is an administrative cost there will be a 50% federal match rate.

If the HMOs are required to provide additional benefits and the MHD's current rates don't support those costs, the actuary may require an increase in capitated rates to ensure actuarial soundness.

If this occurs, the cost to the MHD is unknown. These additional costs would occur in the second and third years.

FY12: Total cost unknown < \$100,000 (GR Unknown < \$50,000)

FY13: Total cost unknown

FY14: Total cost unknown

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state the proposal does not fiscally impact the MCHCP. However, MCHCP members could pay additional out-of-pocket expenses because providers could charge the full fee for non-covered services rather than the discounted fee.

**Section 376.1231 - Reimbursement for Physical Therapists**

Officials from the **Department of Social Services (DSS)** state this legislation does not revise Chapter 208, RSMo and, therefore, does not affect MO HealthNet eligibility or benefits.

This legislation does revise Chapter 376, RSMo. The MO HealthNet Division (MHD) assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants.

The MHD recognizes there may be additional costs of doing business for HMOs if this legislation passes and that those costs may be passed on to the MHD. The MHD may incur additional costs for an actuarial analysis to determine if capitated rates should be adjusted for the additional costs incurred by the HMO.

ASSUMPTION (continued)

If an actuarial analysis is needed it will occur in the first year and is a one-time cost. The cost of the analysis will depend on the number of program changes that will need to be analyzed as well as the complexity of those changes. This cost is unknown but may be as high as \$100,000. Since this is an administrative cost there will be a 50% federal match rate.

If the HMOs are required to provide additional benefits and the MHD's current rates don't support those costs, the actuary may require an increase in capitated rates to ensure actuarial soundness.

If this occurs the cost to the MHD is unknown. These additional costs would occur in the second and third years.

FY12: Total cost is unknown < \$100,000 (GR unknown < \$50,000)

FY13: Total cost is unknown

FY14: Total cost is unknown

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this legislation requires health carriers to provide the same reimbursement to all licensed physical therapists in the network. The MCHCP assumes a decrease in the level of discounts provided by vendors due to a vendor's inability to negotiate contracts with varying reimbursement rates. Based on these assumptions, the fiscal impact of this legislation is unknown but greater than \$100,000 annually.

Section 376.1235 - Eye Drops

Officials from the **Department of Social Services** state this legislation does not revise Chapter 208, RSMo, and therefore, does not affect MO HealthNet eligibility or benefits.

This legislation would not have a fiscal impact on MO HealthNet Managed Care as pharmacy is carved-out and provided through fee-for-service.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state in 2010, the MCHCP spent \$1,081,497 on prescription eye drops. The MCHCP prescription eye drop costs would double for the MCHCP under this proposal because members would be allowed to receive additional quantities of a medication when currently they can only receive one quantity at a time. According to the MCHCP's pharmacy benefit manager, prescription drug costs are trending at 14%. The fiscal impact is unknown, greater than \$1,405,513 for CY12; \$1,602,285 for CY13; and \$1,826,605 for CY14.

ASSUMPTION (continued)

Officials from the **Missouri Department of Transportation (MoDOT)** state the proposed legislation prohibits health insurers from denying coverage for certain refills of prescription eye drops after January 1, 2012. The language requires health plans to provide renewal of drops when the renewal is requested by the insured less than 30 days if the original prescription was distributed to the insured or the date of the last renewal was distributed to the insured and the prescribing provider indicated on the prescription additional quantities are needed.

While the MoDOT/Missouri State Highway Patrol (MHP) Medical Plan would not fall under this definition of “health carrier,” the Plan would arguably still be required to comply with the bill’s requirements. If required to comply with the bill’s requirements, this bill could have a fiscal impact on MoDOT/MHP Medical Plan. This bill prohibits the denial of coverage for the renewal of prescription eye drops and the Plan will be required to offer such coverage as well.

Independent Pharmaceutical Consultants, Inc. (IPC) reviewed the legislation on behalf of the MoDOT/MHP Medical Plan. According to IPC’s review, the proposed language would impact the Plan. IPC provided a memorandum from the Centers for Medicare and Medicaid Services (CMS), dated June 2, 2010, discussing early refills edits on topical ophthalmic products. CMS recognizes the early refill edits are an important utilization management tool to promote compliance and prevent waste; however, it is important Part D sponsors implement such edits in a manner that does not place members at risk of interruptions in drug therapy. They suggest Part D sponsors should be prepared to allow overrides of these edits on a case-by-case basis when appropriate and necessary to prevent interruptions in drug therapy. It is suggested to adopt the guidelines from the CMS memo for the entire populations, rather than issuing different guidelines for non-Medicare participants.

It is difficult to estimate the actual cost to the MoDOT Plan because there is no sure way of determining early refills requested at the pharmacy because the member’s supply due to difficulty of administration. IPC pulled early refill rejections from 2010 and if all refills had been processed, the total cost to the Plan and the members would have totaled \$30,500. Also with the additional costs to the prescription drug plan, our member’s rates would need to be increased to ensure that the plan would have the required funds to support the additional costs.

There will not be a fiscal impact to Missouri Highway Transportation Commission (MHTC); however, there would be a financial impact to the Plan. The impact cannot be determined; however, it would be less than \$100,000.

**Oversight** assumes the provisions of sections 103.089, 376.394, 376.1226, 376.1227, 376.1231 and 376.1235 will become effective January 1, 2012 when the new health care plan year becomes effective for state employees.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE FUND</b>			
<u>Savings - MCHCP</u>			
Reduction in Medicare-eligible participant benefits (§103.089)	\$466,875 to \$933,750	\$933,750 to \$1,867,500	\$933,750 to \$1,867,500
<u>Costs - MCHCP</u>			
Increase in medical costs for bariatric procedures prior to procedure recoupment (§103.082)	\$0	(\$240,667)	(\$507,498)
Increase in state health plan expenditures (§376.1231)	(Unknown greater than \$31,125)	(Unknown greater than \$62,250)	(Unknown greater than \$62,250)
Increase in state share of prescription drug costs (§376.1235)	<u>(Unknown greater than \$437,466)</u>	<u>(Unknown greater than \$936,177)</u>	<u>(Unknown greater than \$1,067,243)</u>
Total <u>Costs</u> - MCHCP*	<u>(Unknown greater than \$468,591)</u>	<u>(Unknown greater than \$1,239,094)</u>	<u>(Unknown greater than \$1,636,991)</u>
<u>Costs - DSS</u>			
Increase in program expenditures (§208.960)	(Unknown)	(Unknown)	(Unknown)
Increase in program expenditures (§376.394)	\$0 or (Unknown up to \$50,000)	\$0 or (Unknown)	\$0 or (Unknown)
Increase in program expenditures (§§ 376.1226 and 376.1227)	\$0 or (Unknown less than \$50,000)	\$0 or (Unknown)	\$0 or (Unknown)
Increase in program expenditures (§376.1231)	<u>\$0 or (Unknown up to \$50,000)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
Total <u>Costs</u> - DSS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP</u>			
Form filing fees (§376.1235)	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>Up to \$5,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>ROAD FUND</b>			
<u>Costs - MoDOT</u>			
Increase in healthcare plan costs (\$376.394)	(Unknown exceeding \$50,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
Increase in healthcare plan costs (\$376.1235)	<u>(Unknown less than \$50,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<b><u>(Unknown exceeding \$50,000)</u></b>	<b><u>(Unknown exceeding \$100,000)</u></b>	<b><u>(Unknown exceeding \$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
<b>OTHER STATE FUNDS</b>			
<u>Savings - MCHCP</u>			
Reduction in Medicare-eligible participant benefits (§103.089)	<u>\$100,725 to</u> <u>\$201,450</u>	<u>\$201,450 to</u> <u>\$402,900</u>	<u>\$201,450 to</u> <u>\$402,900</u>
<u>Costs - MCHCP</u>			
Increase in medical costs for bariatric procedures prior to procedure recoupment (§103.082)	\$0	(\$51,922)	(\$109,489)
Increase in state health plan expenditures (§376.1231)	(Unknown greater than \$6,715)	(Unknown greater than \$13,430)	(Unknown greater than \$13,430)
Increase in state share of prescription drug costs (§376.1235)	(Unknown greater than \$94,380)	(Unknown greater than \$201,974)	(Unknown greater than \$230,250)
Total <u>Costs</u> - MCHCP	(Unknown greater than \$101,095)	(Unknown greater than \$267,326)	(Unknown greater than \$353,169)
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS**</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
<b>FEDERAL FUNDS</b>			
<u>Savings - MCHCP</u>			
Reduction in Medicare-eligible participant benefits (§103.089)	<u>\$182,400 to \$364,800</u>	<u>\$364,800 to \$729,600</u>	<u>\$364,800 to \$729,600</u>
<u>Income - DSS</u>			
Increase in program reimbursements (§208.960)	Unknown	Unknown	Unknown
Increase in program reimbursements (§376.394)	\$0 or Unknown up to \$50,000	\$0 or Unknown	\$0 or Unknown
Increase in program reimbursements (§§ 376.1226 and 376.1227)	\$0 or Unknown up to \$50,000	\$0 or Unknown	\$0 or Unknown
Increase in program reimbursements (§376.1231)	<u>\$0 or Unknown up to \$50,000</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
Total <u>Income</u> - DSS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Costs - MCHCP</u>			
Increase in medical costs for bariatric procedures prior to procedure recoupment (§103.082)	\$0	(\$94,025)	(\$198,271)
Increase in state health plan expenditures (§376.1231)	(Unknown greater than \$12,160)	(Unknown greater than \$24,320)	(Unknown greater than \$24,320)
Increase in state share of prescription drug costs (§376.1235)	<u>(Unknown greater than \$170,910)</u>	<u>(Unknown greater than \$365,748)</u>	<u>(Unknown greater than \$416,953)</u>
Total <u>Costs</u> - MCHCP***	<u>(Unknown greater than \$183,070)</u>	<u>(Unknown greater than \$484,093)</u>	<u>(Unknown greater than \$639,544)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
<b>FEDERAL FUNDS (continued)</b>			
<u>Costs - DSS</u>			
Increase in program expenditures (\$208.960)	(Unknown)	(Unknown)	(Unknown)
Increase in program expenditures (\$376.394)	\$0 or (Unknown up to \$50,000)	\$0 or (Unknown)	\$0 or (Unknown)
Increase in program expenditures (\$§ 376.1226 and 376.1227)	\$0 or (Unknown up to \$50,000)	\$0 or (Unknown)	\$0 or (Unknown)
Increase in program expenditures (\$376.1231)	<u>\$0 or</u> <u>(Unknown up</u> <u>to \$50,000)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
Total <u>Costs</u> - DSS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS***#</b>			
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

\* Oversight assumes MCHCP savings and costs net to \$0.  
 \*\* Oversight assumes MCHCP savings and costs net to \$0.  
 \*\*\* Oversight assumes MCHCP savings and costs net to \$0.  
 # DSS Reimbursements and expenditures Unknown and net to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

The proposal may negatively impact small business health care providers that are required to submit medical records if they do not submit the required documents within the specified time period. (§191.227)

Small businesses that provide home health services which include those related to treatment of blood clotting disorders may see an increase in the number of requests for services and the amount of MO Medicaid reimbursement. (§§208.152 and 338.400)



FISCAL IMPACT - Small Business (continued)

The proposal may impact small business chiropractors if they choose to become Medicaid providers. (§208.960)

The proposal may positively impact small business medical providers if they have been denied reimbursement for diagnostic imaging services based solely on licensed specialty or professional board certification. (§376.394)

The proposal may positively impact small business dentists or optometrists if they are no longer required to follow a mandatory fee schedule for services not covered by a health plan. (§§376.1226 and 376.1227)

The proposal may impact small businesses that provide health benefits to employees if health insurance premiums increase as a result of the provisions in this proposal. (§§376.1231 and 376.1235)

FISCAL DESCRIPTION

This proposal requires the Missouri Consolidated Health Care Plan Board of Trustees to develop a cost-neutral or cost-positive plan by January 1, 2013, to provide bariatric coverage for individuals under the plan. (§103.082)

Under this proposal, Missouri Consolidated Health Care Plan participants who are eligible for Medicare benefits and who are not eligible for their state employee health care coverage to be their primary plan of coverage shall be provided substantially similar benefits provided to participants who are not eligible for Medicare benefits. Under current law, a participant in the state employee health care plan who is eligible for Medicare, and whose state employee coverage is not primary, must be provided the same benefits provided to participants who are not eligible for Medicare benefits. (§103.089)

This proposal prohibits any person from smoking or using tobacco products in any area or on the grounds of a state correctional facility. Anyone violating this provision will be guilty of an infraction. (§191.774)

The proposed legislation requires licensed chiropractors to be reimbursed under the MO HealthNet Program for providing services currently covered and within the scope of chiropractic practice. (§208.960)

This proposal prohibits a health carrier or benefit plan from denying reimbursement to a licensed physician for providing or interpreting diagnostic imaging services based solely on the physician's specialty or professional board certification. (§376.394)

FISCAL DESCRIPTION (continued)

This proposal prohibits a contract between a health carrier or health benefit plan and a dentist or optometrist from requiring the provider to provide services to an insured at a fee established by the carrier or plan if the services are not covered under the plan. (§§376.1226 and 376.1227)

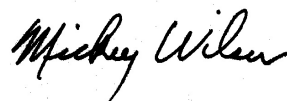
This proposal requires health insurance carriers to reimburse a physical therapist for any service or procedure within the scope of practice in the same amounts as paid to a licensed physical therapist performing the same or similar service or procedure regardless of the setting or venue in which the service or procedure is rendered. (§376.1231)

This proposal prohibits a health carrier that offers or issues plans which are delivered, issued, continued, or renewed on or after January 1, 2012, from denying coverage for a refill of prescription eye drops if the renewal was requested within 30 days of the original prescription or the date the last renewal was dispensed or if the prescribing health care professional indicates on the original prescription that additional refills are needed. The coverage must not be subject to any greater deductible or co-payment than other similar health care services provided by the plan. (§376.1235)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration  
Office of State Courts Administrator  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Corrections  
Department of Health and Senior Services  
Department of Social Services  
Missouri Department of Transportation  
Department of Public Safety -  
    Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Office of Secretary of State



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Mickey Wilson, CPA  
Director  
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